

AR19

Nineteenth Annual Report
CANDORE EXPLORATIONS LIMITED



For the Year Ended December 31, 1964

CANDORE EXPLORATIONS LIMITED

25 Adelaide Street W., Toronto 1

(Incorporated under the Laws of the Province of Ontario)

OFFICERS

H. R. HEARD	-	-	-	-	-	-	-	-	-	-	-	President
K. J. BENNER	-	-	-	-	-	-	-	-	-	-	-	Vice-President
L. V. BARBISAN	-	-	-	-	-	-	-	-	-	-	-	Secretary-Treasurer
J. GEDDES	-	-	-	-	-	-	-	-	-	-	-	Assistant Secretary

DIRECTORS

H. R. HEARD	-	-	-	-	-	-	-	-	-	-	Toronto, Ontario
K. J. BENNER	-	-	-	-	-	-	-	-	-	-	Toronto, Ontario
L. V. BARBISAN	-	-	-	-	-	-	-	-	-	-	Cooksville, Ontario
M. KIRSH	-	-	-	-	-	-	-	-	-	-	Toronto, Ontario
P. J. SULLIVAN	-	-	-	-	-	-	-	-	-	-	Toronto, Ontario

AUDITORS

McDONALD, NICHOLSON & Co.
Toronto, Ont.

REGISTRAR AND TRANSFER AGENTS

THE STERLING TRUSTS CORPORATION
372 Bay Street, Toronto, Ontario

CANDORE EXPLORATIONS LIMITED

President's Report to the Shareholders

On behalf of the Directors of Candore Explorations Limited, I am pleased to present to you the 19th Annual Report containing financial statements as at December 31, 1964, and the auditor's report thereon.

Since our last Annual Report, Candore has conducted an active exploration program which has included the projects described herein.

Opawica Property.

The company acquired an option to purchase 230 mining claims situated in the Townships of Gand and La Ronciere, Province of Quebec. Line-cutting, surface exploration, and some 3,000 feet of diamond drilling were completed. Due to encouraging results obtained on 30 claims of the group, an agreement was negotiated whereby they were purchased, and the option to acquire the remaining 200 claims was allowed to lapse. The 30-claim group is being held in good standing and will be examined further in the future.

Phillips Township Property.

Early in 1965 Candore was granted an option to purchase 7 patented mining claims and 2 licenses of occupation, situated in Phillips Township, District of Kenora, Ontario.

After completing a surface examination of these claims, the more promising structures on the property were drilled. Results were discouraging, however, and your directors are of the opinion that the cost to the company of exercising the option is not justified.

Dorothea and Sandra Townships Property.

Last month Candore entered into an agreement whereby it obtained an option to purchase 36 unpatented mining claims situated in Dorothea and Sandra Townships, District of Thunder

Bay, Ontario. Exploration of these claims through geological mapping and diamond drilling commenced recently, but results from this work are not yet available.

Senneterre Township Property.

In view of developments from work done by Transterre Explorations Limited on its claims in Senneterre Township, Quebec, near those owned by Candore, and results of the exploration by Candore of its claims, your directors decided to complete the purchase of them. When sufficient information is available from the exploration and development of neighboring properties, if warranted, the company will resume work on the claims it owns in Senneterre Township.

Jessop Township Property.

A geophysical examination of this property was completed in 1964. It was recorded, but no further work there is planned at the present time.

General.

In March 1965 the company entered into an underwriting and option agreement whereby the underwriter purchased 200,000 shares in the capital of Candore for \$30,000. In consideration therefor, Candore granted the underwriter options to purchase a further 800,000 shares at prices ranging from 20¢ to 35¢ per share. Particulars of this underwriting and the options are set out in the notes to the financial statements included in this report.

The Annual Meeting of the Shareholders of the company will be held in Suite 416, 25 Adelaide Street West, Toronto, Ontario, at 10:00 o'clock in the forenoon, June 29, 1965. If you are unable to attend in person and wish to be represented you may complete and return to the company's office the enclosed form of Proxy.

Respectfully submitted on behalf of the Board,

H. R. HEARD,

President.

June 7, 1965.

CANDORE EXPLORATIONS LIMITED

(Incorporated under the Laws of the Province of Ontario)

Balance Sheet—31st December, 1964

ASSETS

CURRENT ASSETS:

Cash in Bank	\$ 85,840	
Accounts Receivable	13,214	\$ 99,054

INVESTMENTS:

Listed Shares of Other Mining Companies, at cost (Quoted Market Value \$3,638)	\$ 57,264	
Unlisted Shares of Other Companies, at not more than cost	41,275	
Oil Royalty Interests, at cost	9,556	108,095

INTEREST IN SUBSIDIARY COMPANY:

Dolphin-Miller Mines Limited (Note):		
Shares, at cost	\$ 109,225	
Advances	21,130	130,355

OTHER ASSETS:

Expenditures re Pidgeon Molybdenum Mines Ltd. — Recoverable from production profits only	\$ 61,504	
Exploration Expenditure on Mining Properties, per Statement herewith (Note)	351,359	412,863
ORGANIZATION EXPENSE		10,243

\$ 760,610

The accompanying Notes form part of this Balance Sheet.

To the Shareholders,
CANDORE EXPLORATIONS LIMITED,
TORONTO, Ontario.

We have examined the Balance Sheet of CANDORE EXPLORATIONS LIMITED as at 31st December, 1964, and the results of its operations for the year ended on that date. Our examination included the examination of other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and related Statements of Deficiency are in accordance with the accounting records of the Company at 31st December, 1964, and the results of its operations for the year ended on that date are consistent with that of the preceding year.

TORONTO, 11th May, 1965.

ATIONS LIMITED

(of the Province of Ontario)

December, 1964

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Charges _____ \$ 4,573

SHAREHOLDERS' EQUITY:

Capital Stock (Note):

Authorized 5,000,000 shares of Par Value \$1.00 each _____ \$5,000,000

Issued and Fully Paid:

	Par Value	Discount	
Balance, 1st January, 1964 _____	\$2,960,000	\$1,606,500	
Issued during the year:			
For Cash _____	750,000	547,500	
For other consideration _____	200,000	170,000	
Balance, 31st December, 1964 _____	\$3,910,000	\$2,324,000	\$1,586,000
Surplus arising from Reorganization of Capital Structure _____			162,978
			<u>\$1,748,978</u>
Deficit per Statement herewith _____			992,941
			<u>756,037</u>

Approved on behalf of the Board:

H. R. HEARD, Director.

L. V. BARBISAN, Director.

\$ 760,610

integral part of this Statement.

REPORT OF THE AUDITORS

As at 31st December, 1964, together with the Statements of Deficit and Exploration and a general review of the accounting procedures and such tests of accounting records and

Exploration Expenditure on Mining Properties present fairly the financial position of that date, in accordance with generally accepted accounting principles applied on a basis

McDONALD, NICHOLSON & CO.,
Chartered Accountants.

CANDORE EXPLORATIONS LIMITED

Statement of Deficit

For the year ended 31st December, 1964

BALANCE, 1st January, 1964			\$ 888,691
Amount transferred from Statement of Exploration Expenditure on Mining Properties	\$	97,170	
INDIRECT EXPENSES:			
Annual Meeting Expenses	\$	762	
Directors' Fees		725	
Head Office Maintenance		4,200	
Legal and Audit		1,205	
Printing, Stationery and Office Expense		946	
Publicity		1,065	
Taxes Other than Income		190	
Transfer Agent's Fees and Expense		2,030	11,123
			<u>\$ 108,293</u>
MISCELLANEOUS INCOME:			
Interest	\$	4,021	
Royalties		22	4,043
			<u>104,250</u>
BALANCE, 31st December, 1964			<u><u>\$ 992,941</u></u>

The accompanying Notes form an integral part of this Statement.

CANDORE EXPLORATIONS LIMITED

Statement of Exploration Expenditure On Mining Properties

For the year ended 31st December, 1964

EXPLORATION EXPENSES:

Assaying	\$ 2,340	
Diamond Drilling	45,960	
Equipment Rental and Bulldozing	2,752	
Mining License and Taxes	475	
Miscellaneous Supplies and Expenses	6,318	
Professional Services	9,344	
Staking and Recording	6,681	
Supervision, Wages and Board	15,053	
Telephone	743	
Travelling	6,026	\$ 95,692

PROPERTY PURCHASE AND OPTION PAYMENTS 66,500

\$ 162,192

Balance, 1st January, 1964 286,337

\$ 448,529

Deduct: Amounts written off and transferred to Deficit Account 97,170

BALANCE, 31st December, 1964 \$ 351,359

Property Purchase and Option Payments \$ 211,835

Exploration Expenses 139,524

\$ 351,359 \$ 351,359

The accompanying Notes form an integral part of this Statement.

CANDORE EXPLORATIONS LIMITED

Notes to Financial Statements

31st December, 1964

SUBSEQUENT TRANSACTIONS:

PROPERTY PURCHASE:

By Agreement dated 17th February, 1965, in consideration of \$3,000.00, paid in cash, the Company acquired an option to purchase 7 patented mining claims and 2 Licenses of Occupation in the Township of Phillips, District of Kenora, to be exercised by the payment of \$9,000.00 in cash on or before 31st October, 1965, and the issue of 375,000 treasury shares of a Company to be incorporated to acquire the Mining Property.

UNDERWRITING AGREEMENT:

By Agreement dated 8th March, 1965, 200,000 shares of the unissued capital stock of the Company were subscribed for a total of \$30,000.00.

In consideration of the foregoing subscription, the Company granted options upon 800,000 shares of its unissued Capital Stock as follows:

- 200,000 shares at 20¢ per share on or before 12th June, 1965
- 200,000 shares at 25¢ per share on or before 12th September, 1965
- 200,000 shares at 30¢ per share on or before 12th December, 1965
- 200,000 shares at 35¢ per share on or before 12th March, 1966.

MINING PROPERTIES:

The Company completed, during the year ended 31st December, 1964, the purchase of 4 unpatented mining claims in the Township of Senneterre, Province of Quebec, by the payment of \$12,500.00 in cash and the issue of 200,000 shares of its unissued capital stock, in accordance with the terms of an agreement dated 11th December, 1963.

SUBSIDIARY COMPANY:

The accounts of the subsidiary, Dolphin-Miller Mines Limited, have not been consolidated with those of the Company as it is developing its property and expenditures since acquisition of control have been deferred to future operations.

